

APARTMENT RENT AND VACANCY SURVEY BELOW MARKET RATE ADDENDUM

Results of the 2018 Apartment Rent and Vacancy Survey can be analyzed for below market rate housing. 1,006 below market rate apartment rental units were surveyed. 359 senior-only below market rate apartment units are not included in this survey, however, comparisons are made between non-senior only below market rate units and senior-only below market rate units at the end of this addendum.

Of the 1,006 below market rate non-senior only rental apartment units included in this survey, 961 responded to the survey. Of the 961 units that reported, 5 were reported to be vacant and available for rent and 8 were reported to be vacant but unavailable for renting. The 8 unavailable units are not included in the vacancy rate.

Vacancy:

- The overall below market rate vacancy rate is 0.5%.
- The vacancy rate for one-bedroom units is 0.0%.
- The vacancy rate for two-bedroom units is 0.6%.
- The vacancy rate for three-bedroom units is 0.9%.
- The vacancy rate for four-bedroom units is 0.0%.

	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	All Bedroom Sizes
Total Available Units Surveyed	181	655	109	16	961
Vacant/Available for Rent	0	4	1	0	5
Vacancy Rate	0.0%	0.6%	0.9%	0.0%	0.5%

The chart below shows the below market rate non-senior only vacancy as compared to the overall market vacancy rate.

	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	All Bedroom Sizes
Below Market Rate Vacancy Rate	0.0%	0.6%	0.9%	0.0%	0.5%
Overall Market Vacancy Rate	3.0%	2.8%	3.7%	N/A	2.9%

The overall below market rate non-senior vacancy rate has decreased slightly since the last survey period in 2017. For one and two-bedroom units the vacancy rate has decreased. For four-bedroom units the vacancy rate remains unchanged. For three-bedroom units that vacancy rate has increased slightly.

	OCT '17	OCT '18
One-bedroom vacancy rate	1.0%	0.0%
Two-bedroom vacancy rate	0.8%	0.6%
Three-bedroom vacancy rate	0.0%	0.9%
Four-bedroom vacancy rate	0.0%	0.0%
Overall vacancy rate	0.7%	0.5%

The attached tables provide results of this 2018 survey, as well as historical vacancy data:

- Table 1 Vacancy Survey Results by Bedroom Size - October 2014 – October 2018
- Table 2 Overall Vacancy Rate – October 2014 – October 2018
- Table 3 Historical Vacancy Rates – October 2014 – October 2018

TABLE 1
VACANCY SURVEY RESULTS BY BEDROOM SIZE
OCTOBER 2014 – OCTOBER 2018

ONE BEDROOM	<u>10/14</u>	<u>10/15</u>	<u>10/16</u>	<u>10/17</u>	<u>10/18</u>
Total Units Reported	99	105	117	199	181
Vacant/Available for Rent	1	1	1	2	0
Vacancy	1.0%	1.0%	0.9%	1.0%	0.0%
Vacant/Not Available	0	2	2	1	4
TWO BEDROOM	<u>10/14</u>	<u>10/15</u>	<u>10/16</u>	<u>10/17</u>	<u>10/18</u>
Total Units Reported	460	518	539	615	655
Vacant/Available for Rent	9	4	12	5	4
Vacancy	2.0%	0.8%	2.2%	0.8%	0.6%
Vacant/Not Available	0	5	3	2	3
THREE BEDROOM	<u>10/14</u>	<u>10/15</u>	<u>10/16</u>	<u>10/17</u>	<u>10/18</u>
Total Units Reported	120	120	108	124	109
Vacant/Available for Rent	2	1	0	0	1
Vacancy	1.7%	0.8%	0.0%	0.0%	0.9%
Vacant/Not Available	1	1	0	0	1
FOUR BEDROOM	<u>10/14</u>	<u>10/15</u>	<u>10/16</u>	<u>10/17</u>	<u>10/18</u>
Total Units Reported	16	16	17	17	16
Vacant/Available for Rent	0	0	0	0	0
Vacancy	0.0%	0.0%	0.0%	0.0%	0.0%
Vacant/Not Available	0	0	0	0	0

TABLE 2

**OVERALL VACANCY RATE
OCTOBER 2014 – OCTOBER 2018**

	<u>10/14</u>	<u>10/15</u>	<u>10/16</u>	<u>10/17</u>	<u>10/18</u>
Total Available Units Surveyed	695	759	781	955	961
Vacant/Available for Rent	12	6	13	7	5
Vacancy Rate	1.7%	0.8%	1.7%	0.7%	0.5%

TABLE 3

**HISTORICAL VACANCY RATES
OCTOBER 2014 – OCTOBER 2018
(All Units Vacant & Ready)**

<u>DATE</u>	<u>VACANCY RATE</u>
October 2014	1.7%
October 2015	0.8%
October 2016	1.7%
October 2017	0.7%
October 2018	0.5%

Rent:

- The median rent for one-bedroom below market rate units is \$893.
- The median rent for two-bedroom below market rate units is \$1,028.
- The median rent for three-bedroom below market rate units is \$1,176.
- The median rent for four-bedroom below market rate units was \$1,010.

	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Below Market Median Rent	\$893	\$1,028	\$1,176	\$1,010

Below market rate non-senior only housing median rents compared to market rate median rents are reflected on the chart below.

	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Below Market Median Rent	\$893	\$1,028	\$1,176	\$1,010
Overall Market Median Rent	\$1,645	\$1,808	\$1,950	N/A

Median rents for one-bedroom units vary by \$752, two-bedroom units vary by \$780, and three-bedroom units vary by \$774. There are no market rate four-bedroom units.

Below market rate median rents for non-senior only units compared to below market rate median rents for senior-only units is reflected on the chart below.

	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Below Market Median Rent	\$893	\$1,028	\$1,176	1,010
Below Market Median Rent Senior-Only	\$1,011	\$1,239	N/A	N/A

Median rents for one-bedroom units vary by \$118 and two-bedroom unit rents vary by \$211, with senior-only below market median rents being higher than non-senior only below market median rents for each unit size.

Below market rate non-senior only vacancy rates compared to vacancy rates for senior-only below market rate units is reflected on the chart below.

	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Overall Vacancy
Below Market Vacancy Rate	0.0%	0.6%	0.9%	0.0%	0.5%
Below Market Vacancy Rate Senior-Only	0.3%	0.0%	N/A	N/A	0.3%

Despite rents being higher for below market rate senior units, the overall vacancy rate is lower for senior-only below market rate units compared to non-senior only below market rate units.

The attached tables provide results of this 2018 survey, as well as historical rental data:

- Table 4 Comparison of Median Rent Levels – October 2018 Overall Units, Below Market Non-Senior Units, and Below Market Senior-Only Units By Bedroom Size
- Table 5 Comparison of Median Rent Levels – All Below Market Non-Senior Units October 2016 – October 2018 By Bedroom Size
- Table 6 Comparison of Median Rent Levels – All Below Market Senior-Only Units October 2016 – October 2018 By Bedroom Size
- Table 7 Rental Market Survey – Historical Median Rents for Below Market Non-Senior Units – October 2014 – October 2018
- Table 8 Rental Market Survey – Historical Median Rents for Below Market Senior-Only Units – October 2014 – October 2018

TABLE 4

COMPARISON OF MEDIAN RENT LEVELS – OCTOBER 2018 OVERALL UNITS, BELOW MARKET NON-SENIOR UNITS, AND BELOW MARKET SENIOR-ONLY UNITS BY BEDROOM SIZE

	<u>10/18 – Overall</u>	<u>Below Market Non-Senior</u>	<u>Below Market Senior-Only</u>
One Bedroom Median Rent	\$1,645	\$893	\$1,011
Two Bedroom Median Rent	\$1,808	\$1,028	\$1,239
Three Bedroom Median Rent	\$1,950	\$1,176	N/A
Four Bedroom Median Rent	N/A	\$1,010	N/A

TABLE 5

COMPARISON OF MEDIAN RENT LEVELS ALL BELOW MARKET NON-SENIOR UNITS OCTOBER 2017 – OCTOBER 2018 BY BEDROOM SIZE

	<u>10/17</u>	<u>10/18</u>	<u>% change 2017-2018</u>
One Bedroom Median Rent	\$815	\$893	9.6%
Two Bedroom Median Rent	\$859	\$1,028	19.7%
Three Bedroom Median Rent	\$1,167	\$1,176	0.8%
Four Bedroom Median Rent	\$1,152	\$1,010	-12.3%

TABLE 6

COMPARISON OF MEDIAN RENT LEVELS - ALL BELOW MARKET SENIOR-ONLY UNITS OCTOBER 2017 – OCTOBER 2018 BY BEDROOM SIZE

	<u>10/17</u>	<u>10/18</u>	<u>% change 2017-2018</u>
One Bedroom Median Rent	\$879	\$1,011	15.0%
Two Bedroom Median Rent	\$1,051	\$1,239	17.9%

TABLE 7**RENTAL MARKET SURVEY- HISTORICAL MEDIAN RENTS FOR BELOW MARKET NON-SENIOR UNITS
OCTOBER 2014 – OCTOBER 2018**

	<u>OCT '14</u>	<u>OCT '15</u>	<u>OCT '16</u>	<u>OCT '17</u>	<u>OCT '18</u>
1 Bedroom					
Median Rent	\$729	\$729	\$730	\$815	\$893
No. Surveyed	99	105	117	199	181
2 Bedroom					
Median Rent	\$803	\$817	\$812	\$859	\$1,028
No. Surveyed	460	518	539	615	655
3 Bedroom					
Median Rent	\$1,029	\$1,034	\$1,047	\$1,167	\$1,176
No. Surveyed	120	120	108	124	109
4 Bedroom					
Median Rent	\$1,043	\$1,043	\$1,050	\$1,152	\$1,010
No. Surveyed	16	16	17	17	16

TABLE 8**RENTAL MARKET SURVEY- HISTORICAL MEDIAN RENTS FOR BELOW MARKET SENIOR-ONLY UNITS
OCTOBER 2014 – OCTOBER 2018**

	<u>OCT '14</u>	<u>OCT '15</u>	<u>OCT '16</u>	<u>OCT '17</u>	<u>OCT '18</u>
1 Bedroom					
Median Rent	\$654	\$858	\$858	\$879	\$1,011
No. Surveyed	291	291	291	291	291
2 Bedroom					
Median Rent	\$973	\$1,022	\$1,030	\$1,051	\$1,239
No. Surveyed	68	68	68	68	68